

CITY OF TIGARD, OREGON

RESOLUTION NO. 04- 39

A RESOLUTION APPROVING BUDGET AMENDMENT #21 TO THE FY 2003-04 BUDGET TO INCREASE APPROPRIATIONS FOR FUNDING OF CITY ATTORNEY EXPENDITURES.

WHEREAS, the City has experienced unanticipated attorney costs due to union contract negotiations, LUBA (Land Use Board of Appeals) filings, and labor issues; and

WHEREAS, the adopted FY 2003-04 budget for City Attorney expenditures is not sufficient to cover the total estimated costs for attorney fees; and

WHEREAS, Oregon State Budget Law prohibits jurisdictions from over spending appropriations.

NOW, THEREFORE, BE IT RESOLVED by the Tigard City Council that:

SECTION 1: The FY 2003-04 Adopted Budget of the City of Tigard is hereby amended as shown in Attachment A to this resolution.

SECTION 2: This resolution is effective immediately upon passage.

PASSED: This 22nd day of June 2004.



Mayor- City of Tigard

ATTEST:



~~City Recorder - City of Tigard~~
Greer A. Gaston, Deputy City Recorder

Attachment A
FY 2003-04
Budget Amendment #21

FY 2003-04 Current Budget	Budget Amendment #21	FY 2003-04 Revised Budget
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Central Services Fund

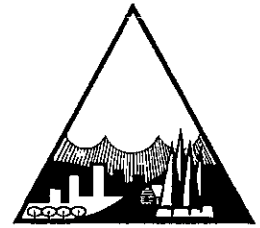
Resources

Beginning Fund Balance	523,050		523,050
Interest Earnings	10,461		10,461
Transfers In from Other Funds	4,458,623		4,458,623
Total	\$4,947,134	\$0	\$4,947,134

Requirements

Policy & Administration Program	3,629,803		3,629,803
General Government	394,920	100,000	494,920
Program Expenditures Total	\$3,974,723	\$100,000	\$4,074,723
Debt Service	\$0		\$0
Capital Improvements	\$0		\$0
Transfers to Other Funds	\$73,614		\$73,614
Contingency	\$237,272	(\$100,000)	\$137,272
Total Requirements	\$4,290,609	\$0	\$4,290,609
Ending Fund Balance	656,525		656,525
Grand Total	\$4,947,134	\$0	\$4,947,134

MEMORANDUM



TO: Craig Prosser, Finance Director

FROM: Michelle Wareing, Management Analyst *mw*

RE: City Attorney Budget Amendment

DATE: May 26, 2004

Due to union contract negotiations and unanticipated labor issues and land use appeals, it is anticipated that the City Attorney expenditures will exceed the budget amount of \$185,000. As of May 26, 2004, total City Attorney expenditures for FY 2003-04 are \$176,403.53. This amount is for attorney services through April 30, 2004. There are still two months of attorney expenditures to be received.

I have consulted with Sandy Zodrow, Human Resources Director, on what the labor attorney costs could be for May and June 2004. Sandy indicated that more attorney time is being spent on negotiations and that several labor issues, non-contract related, have arisen. These labor issues could either be resolved quickly or could become larger issues. Also, the labor attorney has requested to increase the billing rates, but this is still under negotiation. Sandy has estimated that labor attorney bills will be approximately \$35,000 for May and June, but this doesn't include any billing rate increase or the new labor issues.

In addition to labor attorney costs, the City has experienced large attorney costs associated with land use appeals to LUBA (Land Use Board of Appeals). Currently, there are three appeals with LUBA and one with the Court of Appeals. When these appeals go to trial is unknown. Attorney costs increase significantly when a case actually goes to trial. It is being estimated that the minimum cost for the remaining two months of the year will be \$10,000, but could be much larger if any of the cases go to trial.

Besides the labor and LUBA attorney costs, the City incurs other attorney costs on monthly basis. These monthly costs vary depending on usage. In June, the City Council will be discussing the Bull Mountain Annexation and it is anticipated that there will be at least three additional special sessions. It is the intent of the City to have the City Attorney be present at these additional meetings. Currently, the City Attorney only attends one Council meeting per month. It is estimated that non-labor and non-LUBA attorney costs will be about \$10,000 total for both May and June. This amount is based on past, regular usage. However, this estimate doesn't include the cost of the additional meetings or any "out of the ordinary" issues.

Last fiscal year, a budget amendment was done at the end of the year for City Attorney costs. The original budget was \$192,100 and it was amended by \$25,000, thereby producing a new budget of \$217,100. The actual expenditures for FY 2002-03 were \$226,493. Even with the amendment, City Attorney costs still exceeded the budgeted amount, which is a violation of State Budget Law. This violation had to be noted in the City's Comprehensive Annual Financial Report (CAFR). The City cannot allow the City Attorney budget to be over-expended again.

I am recommending that the City Attorney budget for FY 2003-04 be amended by \$100,000. Although this amount is higher than what is estimated to actually be spent, I believe it is necessary. As stated above, total City Attorney expenditures through April 2004 are \$176,543. In FY 2002-03, the last two months of attorney bills equaled \$73,398. Assuming the same expenditure amount, the FY 2003-04 City Attorney budget would need to be amended by \$65,000. I have added a \$35,000 cushion due the many unknowns that have the potential to generate large attorney bills. It should be noted that any unused portion of the City Attorney budget will be rolled into the fund balance.